

Mr. Chairman, our nation needs a real energy policy rather than allowing ourselves to be surprised with global price changes.

We need to support incentives to improve energy efficiency such as tax credits for new energy and alternative fuel technologies, as well as improved efforts to weatherize homes and businesses.

As Charles Krauthammer pointed out in the Washington Post, we are becoming a nation of oil addicts. The past decade has seen an increase in gas-guzzling SUV's and a dramatic increase in the number of vehicle miles traveled. Average fuel efficiency has remained unchanged for the last 10 years. Congress has repeatedly refused to increase CAFE standards for SUVs and light trucks, going so far as to prevent the U.S. Department of Transportation from even studying the impacts on oil consumption and air quality from increased CAFE standards.

In real terms, there have only been four years out of the last 70 where the price of a regular gallon of gasoline was as low as it is today. Gasoline is getting cheaper and cheaper all the time. There are some real problems for home heating oil costs and supply flows, but it is important to put gas prices in perspective.

Nevertheless, we need to make sure that the free market is really free. If that requires legislation, let's get on with it. Everyone needs to play fair and by the rules. Any suspicion that oil producers are artificially 'fixing' the price of oil should be investigated fully. Oil producing nations do receive assistance from us, and we need to make sure they understand that unless the free market is allowed to work, we may reconsider future assistance. Our diplomatic efforts should be firm but not heavy-handed.

Our nation cannot afford to set our own energy policy with the assumption that petroleum supplies are unlimited and that we will always have the world's lowest oil prices. Record low oil prices last year made us lazier on conservation and the development of new energy technologies. A kink in the supply chain today could develop into a full blown oil crisis tomorrow. We need to remain vigilant on providing people with more transportation choices and higher efficiency standards to conserve the oil we have.